



# TRANSACTION CONTROLS

## DEPARTMENT OF STATE INSTRUCTION

Approved For Release 2001/11/01 : CIA-RDP64-00014A000100070007-8

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NO.: CA- 4798 November 26, 1957

SUBJECT: **KICOM-4C**: Transaction Control Regulations as related to munitions dealings.

TO: The American Embassy, LONDON

RPT INFO: BERN, BONN, BRUSSELS, THE HAGUE, PARIS, ROME, TOKYO  
USRO PARIS

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The Department has been requested by the Treasury Department to transmit the following message:

Reference is made to despatch 1034 of October 28, 1957 from the Embassy in London, copies of which were sent to USRO/ST Paris, in which inquiry was made as to whether or not there are controls over the trading activities abroad of United States citizens in Munitions List items.

The Transaction Control Regulations of the Treasury Department do in fact cover transactions with the Soviet bloc in all items on the United States Munitions List by any person specified in Section 500.330 of the Foreign Assets Control Regulations. The Transaction Control Regulations do not extend to shipments whose end destination is in the Middle East unless such shipments move into a Soviet bloc country. These Regulations are stated in Section 505.10 thereof to cover Positive List "A" items as well as items under any other controls referred to in Section 370.4 of Title 15 of the Code of Federal Regulations. The latter Section relates to all items on the Munitions List; Atomic Energy List; certain vessels; gold; narcotics; etc. These items rarely appear in East-West trade reports and, therefore, the applicability of the Transaction Control Regulations to these items are rarely mentioned in day-to-day communications with the posts abroad.

A pamphlet entitled "Foreign Assets Control - Regulations and Related Documents", which was issued by the United States Treasury Department on August 26, 1954, contains among other documents the Transaction Control Regulations under the heading "Part 505 - Regulations prohibiting transactions involving the shipment of certain merchandise between foreign countries". The Third Cumulative Supplement, dated June 1, 1956, brought up to date the material set forth in the pamphlet of August 26, 1954. Copies of the pamphlet and supplement were sent to all addressees when they were issued.

DOLIES

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State Dept. declassification & release instructions on file

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(in draft)

Mr. Elrol

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